

11—106.7(8A) Sole source procurements.

106.7(1) *When justified.* A sole source procurement shall be avoided unless clearly necessary and justifiable. A state agency may purchase services using a sole source procurement under the following circumstances:

- a.* A state agency determines that one service provider is the only one qualified or eligible or is quite obviously the most qualified or eligible to perform the service; or
- b.* The services being purchased involve work that is of such a specialized nature or related to a specific geographic location that only a single source, by virtue of experience, expertise, proximity to the project, or ownership of intellectual property rights, could most satisfactorily provide the service; or
- c.* A state agency is hiring a service provider to provide peer review services for a professional licensing board pursuant to Iowa Code chapter 272C; or
- d.* A state agency is hiring the services of experts, advisors, counsel or consultants to assist in any type of legal proceeding including but not limited to testifying or assisting in the preparation of quasi-judicial or judicial proceedings; or
- e.* The federal government or other provider of funds for the services being purchased (other than the state of Iowa) has imposed clear and specific restrictions on the state agency's use of the funds in a way that restricts the state agency to only one service provider; or
- f.* Applicable law requires, provides for, or permits use of a sole source procurement.

106.7(2) *Special procedures required for sole source procurements.*

- a.* When the annual value of the service contract exceeds \$5,000 or when the estimated value of the multiyear service contract in the aggregate, including renewals, is equal to or greater than \$15,000, the head of a state agency or designee shall sign the sole source contract or the amendment. Use of sole source procurement does not relieve a state agency from negotiating a fair and reasonable price and thoroughly documenting the procurement action.
- b.* When the annual value of the service contract exceeds \$5,000 or when the estimated value of the multiyear service contract in the aggregate, including renewals, is equal to or greater than \$15,000, a state agency shall be required to complete a sole source justification form. The director of the state agency shall sign the sole source justification form. The claim for the first payment on a contract requires a copy of the signed original contract, a copy of the precontract questionnaire, a copy of the sole source justification form, and an original invoice or original claimant signature.
- c.* The contract for the sole source procurement shall comply with 11 IAC 107.4(8,8A), uniform terms and conditions for service contracts, or 11 IAC 107.5(8,8A), special terms and conditions.